

The IPUC in this written consultation will briefly address a limited number of issues in regard to Qwest's new Section 271 application. The first relates to Qwest's ability to comply with the requirements of Section 272, specifically its accounting obligations for Qwest and its interLATA affiliate. Second, the IPUC will briefly comment on evidence submitted by Qwest regarding the existence of competitive providers in Idaho.

SECTION 272 ACCOUNTING REQUIREMENTS

Qwest withdrew its initial application at the FCC because accounting irregularities raised questions regarding Qwest's ability to comply with the accounting requirements of Section 272. In its letter to the FCC withdrawing its application, Qwest recognized that questions raised by the FCC Staff "regarding the issue of whether Qwest Communications Corporation (QCC), the designated Section 272 affiliate, can be said to meet the requirements of Section 272, given pending restatement of its financial statements for past periods." With the issues that arose regarding QCC, Qwest intends to establish a new Section 272 affiliate, identified as Qwest Long Distance.

Given the short time period between the withdrawal of Qwest's initial FCC application and its re-filing on September 30, the IPUC did not attempt to re-open its review of Qwest's ability to comply with Section 272 requirements. The IPUC concluded, after reviewing the evidence on Qwest's compliance with the Section 272 requirements, that Qwest had put in place a separate affiliate to comply with the requirements of Section 272. The IPUC also stated it will continue to review Qwest's continued compliance by future audits of records between Qwest and its Section 272 affiliate, including one to occur six months after Qwest is granted interLATA authority.

The IPUC intends to participate in an audit of the records between Qwest and Qwest Long Distance six months after Qwest is granted interLATA authority. The initial audit will focus on activities since the inception of Qwest Long Distance and evaluate the inter-company procedures and controls. At a minimum, the IPUC will review proper accounting and audit independence, elimination of pass-through billings, calculation and use of Fair Market Value, logging and billing of Qwest employee time for services provided to Qwest Long Distance, billing of any employee discounts available to Qwest Long Distance employees for Qwest services, pricing and accounting at the Qwest Long Distance affiliate level to assure that anti-competitive practices do not occur.

The IPUC has no reason to believe Qwest is unable to fulfill its Section 272 obligations with the creation of Qwest Long Distance. Accordingly, the issues raised by the FCC in Qwest's previous application do not affect the record or conclusions reached by the IPUC in its review of Qwest's ability to satisfy the Section 272 requirements.

RECORD OF MEETING TRACK A STANDARD.

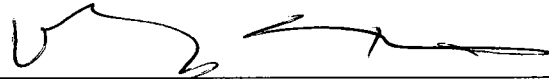
In its recent application filed with the FCC, Qwest submitted updated information on the presence of competitive telecommunications providers in Idaho, which is relevant to Qwest meeting the "Track A" standard of 47 U.S.C. 271(c)(1). The IPUC previously determined Qwest satisfied the Track A requirements because the record "establishes the presence of a provider providing service to residential and business customers in Idaho." The updated information filed by Qwest does not change the conclusion reached by the IPUC, but does contain errors the IPUC will correct for the convenience of the FCC. An affidavit of Carolee Hall, telecommunications analyst with the IPUC, is attached to clarify the record regarding the existence of competitive providers in Idaho.

IPUC Staff also reviewed the more recent wholesale performance data included with the revised application, primarily to determine whether there had been any significant change in performance since the initial application. As before, most of the data for Idaho reflects a lack of actual CLEC activity. However, in reviewing the few product categories with significant activity, Staff found that Qwest's overall performance had not changed significantly since the initial application. Although a few performance indicators had shown declining performance in the most recent months, a larger number of indicators showed improving performance, and the majority of the indicators were essentially unchanged. Staff did not find any pattern to the results that would lead to a conclusion that Qwest's overall performance had diminished since the filing of the original application.

CONCLUSION

The IPUC recommended, in its written consultation filed in WC Docket No. 02-148, that the FCC approve Qwest's application for interLATA authority pursuant to Section 271. Nothing has intervened since the IPUC made that recommendation to cause the IPUC to alter its recommendation to the FCC.

Respectfully submitted this 15th day of October 2002.



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**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, DC 20554**

IN THE MATTER OF

**APPLICATION BY QWEST COMMUNICATIONS
INTERNATIONAL, INC. FOR AUTHORIZATION
TO PROVIDE IN-REGION, INTERLATA
SERVICES IN THE STATES OF COLORADO,
IDAHO, IOWA, MONTANA, NEBRASKA, NORTH
DAKOTA, UTAH, WASHINGTON AND
WYOMING.**

WC DOCKET NO. 02-314

AFFIDAVIT OF CAROLEE HALL

State of Idaho)
) ss
County of Ada)

Carolee Hall, being first duly sworn on oath, deposes and states the following:

1. I am a Telecommunications Analyst with the Idaho Public Utilities Commission (IPUC) and have been involved in Qwest's Multi-State Section 271 proceedings over the past two years. I have knowledge of the interconnection and competition environment as it pertains to Public Interest and Track A in the State of Idaho, and knowledge of the records of competitive providers filed with the IPUC.

2. On September 30, 2002, Qwest filed its second Section 271 application with the Federal Communications Commission as part of a joint application for authorization to provide in-region, interLATA service in the states of Colorado, Idaho, Iowa, Montana, Nebraska, North Dakota, Utah, Washington and Wyoming. The application includes supplemental testimony of Mr. David L. Teitzel, addressing Public Interest and Track A issues. Staff has reviewed Exhibit DLT-Track A Supp.-ID-1 to the supplemental testimony and provides this affidavit not to challenge Qwest's Track A evidence but to clarify the status of competitive carriers in Idaho.

3. Of the 32 companies listed on pages 3 and 4 of Exhibit DLT-Track A Supp.-ID-1 the IPUC has no record of nine of these companies as competitive local exchange carriers. Those companies are: B G Enterprises; Ernest Telecom; Global Crossing Local Services; New

Access Communications; Sysco Idaho—ION; Telephone Restoration Network (DBA Telnet); SPRINT DATA; Quantumshift, Inc.; or Voice Tel.

4. Of the companies listed on pages 3 and 4 of Exhibit DLT-Track A Supp.-ID-1, eight have certificates for service in Idaho, but they are not currently providing either competitive residential or business local exchange service. Those companies are: AT&T Communications; AT&T Local Services (FKA TCG); CCCID, Inc. (dba Connect!); Citizens Telecom; Eschelon Telecom; Integra Telecom; IONEX; and Sprint Communications Company.

5. Three of the companies listed on pages 3 and 4 have declared bankruptcy and are no longer providing service. Those companies are: Fairpoint Communication; NOW Communications, Inc.; and 1-800-RECONEX, Inc. One company, Tsunami Communications, recently withdrew its certificate to provide local residential service in Idaho.

6. One data-only carrier, New Edge, is listed in the exhibit.

7. Finally, of the 32 companies listed in the exhibit, only ten are providing competitive local exchange service to customers in Idaho. Five are exclusively multi-lines business providers: they are Electric Lightwave; Fretel Communications, LLC; Rural Network Services, Inc.; Time Warner (fka GST); and XO Idaho, Inc. The remaining five companies provide residential and business service. These companies are: CTC; McCleod USA; Project Mutual; Z-Tel; and NOS Communications.

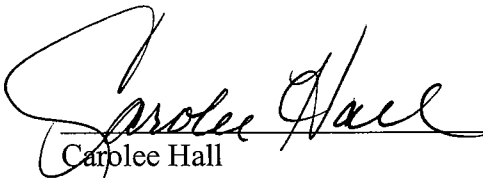
12. On page 5 in Exhibit DLT-Track A Supp.-ID-1, one of the companies mentioned in the redacted exhibit provides only data services. Three of the companies serve business customers only while one company, McCleod, serves both residential and business customers.

13. Six companies are identified on page 6 of the supplemental testimony as using UNE-Platform, two of which have not received certificates or filed reports with the IPUC. One serves business customers exclusively and one has a certificate, but is not currently providing service in Idaho. Of the companies listed, two are providing residential service. The total line counts for the two companies are 6,243 residential and 1,345 business.

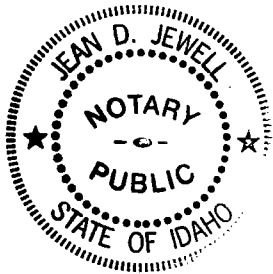
14. According to the records at the IPUC, residential lines served by competitive local exchange carriers total 8,474, or 2.3 percent of Qwest's residential lines. Business lines served by competitive carriers equals 17,238 (13.4% of Qwest business lines), for a total of 25,712 total lines served by competitive carriers.


15. Nine companies have no records with IPUC: B G Enterprises; Ernest Telcom; Global Crossing Local Services; New Access Communications; Sysco Idaho-ION; Sprint Data; Telephone Restoration Network dba Telnet; Quantumshift, Inc.; or Voice-Tel Enterprises, Inc. Qwest may be providing loops and unbundled elements to these companies and they may be data carriers exclusively, and thus not required to obtain a certificate for service in Idaho.

DATED this 15th day of October 2002.


Carolee Hall
Telecommunications Analyst
Idaho Public Utilities Commission

Subscribed and sworn to before me this 15th day of October 2002.




Notary Public, State of Idaho
Residing in Boise, Idaho
My Commission expires on: 10/29/2007